

**Direct PLUS Loan Award Processing with Endorser
Attachment to September 2010 Electronic Announcement**

Since March 27, 2010, when an endorser is **approved** for a Direct PLUS Loan award, the COD System returns different information depending on a number of factors. The table below provides several general endorser scenarios and explains how they would be processed.

Important Note: In the scenarios below, *we assume the parent has completed a Direct PLUS Loan Request via the StudentLoans.gov Web site*. If a parent has not completed a Direct PLUS Loan Request via the StudentLoans.gov Web site, the endorser would not be able to complete an Endorser Addendum until a Direct PLUS Loan award has been submitted to and processed by the COD System and the associated Award ID has been provided to the endorser.

If the endorser completes the Endorser Addendum...	AND the endorsed amount is...	AND the school has...	THEN the school will receive...	To resolve, the school...
Via StudentLoans.gov Web site	Greater than or equal to the requested award amount	Not originated an award	An updated PLUS Request (SP) response file with the endorsed amount in the <EndorserAmount> tag	Originates the award
		Originated an award	A Credit Override (CO) response file with 'E' in the <Credit Override Code> tag and the endorsed amount in the <EndorserAmount> tag	No further action necessary
	Less than the requested award amount	Not originated an award	An updated SP response file with the lower endorsed amount in the <EndorserAmount> tag	Originates the award
		Originated an award	A CO response file with 'D' in the <Credit Override Code> tag and COD Warning Edit 184 and the lower endorsed amount in the <EndorserAmount> tag	Resubmits the award, <i>using the same PLUS Loan ID</i> , with the lower award amount (it must be less than or equal to the endorsed amount). In this case, the entire award must be submitted (meaning all required tags for an award origination must be submitted); the school cannot submit a change to the award amount only.**

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If the endorser completes the Endorser Addendum...	AND the endorsed amount is...	AND the school has...	THEN the school will receive...	To resolve, the school...
Via paper process and returns it to the Department of Education	Greater than or equal to the requested award amount	Not originated an award	N/A; no response file is sent to the school	Originates the award (in this case, the school will need to receive notification from the borrower that his or her endorser submitted the addendum via the paper process)
		Originated an award	A CO response file with 'E' in the <Credit Override Code> tag and the endorsed amount in the <EndorserAmount> tag	No further action necessary
	Less than the requested award amount	Not originated an award	N/A; no response file is sent to the school	Originates the award (in this case, the school will need to receive notification from the borrower that his or her endorser submitted the addendum via the paper process)
		Originated an award	A CO response file with 'D' in the <Credit Override Code> tag and COD Warning Edit 184 and the lower endorsed amount in the <EndorserAmount> tag	Resubmits the award, using the same PLUS Loan ID , with the lower award amount (it must be less than or equal to the endorsed amount). In this case, the entire award must be submitted (meaning all required tags for an award origination must be submitted); the school cannot submit a change to the award amount only.**

**If a school cannot resubmit the award via batch processing, it can submit the information via the COD Web site.

Note: Once the Direct PLUS Loan award is successfully processed, it will build on the COD System and link to the endorser information. The award response (COMRECOP, CRAA, or CRDL) will also include COD Warning Edit 183, PLUS Award Accepted due to Valid Endorser Match. The school can then submit disbursements.

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Since March 27, 2010, a value of “D” in the <Credit Override Code> tag can indicate two different things:

- 1) If the credit override code is “D” *without* COD Warning Edit 184, the endorser is **declined**. The COD System will not accept changes to the award or disbursements (other than to reduce the award amount and disbursements to zero). The borrower can discuss other options with the school such as appealing the decision based on extenuating circumstances, finding another endorser, or considering an additional Direct Unsubsidized Loan award for the dependent student.
- 2) If the credit override code is “D” *with* COD Warning Edit 184, the endorser is **approved**, but has endorsed an amount less than the award amount requested by the borrower. This can be resolved as noted in the table above.

Note: We are developing a solution for the dual meaning of “D” in the <Credit Override Cod> tag. In February 2011, we plan to add a new valid value of “L” for cases where the endorser is approved, but has endorsed an amount less than the award amount requested by the borrower.

Endorser Processing Impact to Master Promissory Note (MPN) Status

When an endorser is approved and linked to an award, the MPN becomes **inactive**. In this case, the COD System will send “I” in the <MPN Status Code> tag. This means that the MPN is valid and linked to the Direct PLUS Loan award (which is why the <MPNLinkIndicator> tag has a value of “true”), but it can no longer be used to link to any subsequent Direct PLUS Loan awards.

Although the MPN is accepted on the COD System and linked to the current Direct PLUS Loan award, the MPN can no longer be used for subsequent awards, so the value of “I” (Inactive) is not the same as the value of “A” (Accepted). For subsequent awards, either another valid MPN must be already accepted on the COD System or a new MPN must be completed by the borrower.

We recently added “I” as a valid value to the [2010-2011 COD Technical Reference](#). In addition, more information about inactive MPNs can be found in the Implementation Guide (Volume II, Section 1 of the 2010-2011 COD Technical Reference), starting on page 118.

Note for EDEExpress Users: Currently, EDEExpress will not process an MPN Status field value of “I”. For PN batches, the “I” is ignored, no updates are made to the record, and the message “No Loan Origination record linked to this MPN at COD” displays on the import edit report. For RS and CO batches, the “I” is converted to a value of “R” on the EDEExpress record unless the MPN Status value in EDEExpress is “P,” “S,” or “M,” in which case the value in EDEExpress is not updated. The RS import edit report displays “PENDING MPN ON FILE AT COD” and the CO import edit report does not display a status. EDEExpress users should not change the value in the COD Common Record Response. Instead, EDEExpress users should change the MPN Status on impacted records from “R” to “T” using Multiple Entry or manual entry. If you need additional assistance addressing EDEExpress Direct Loan records with a processed MPN Status of “I,” contact CPS/SAIG Technical Support at 800/330-5947 (TDD/TTY 800/511-5806). You may also e-mail CPSSAIG@ed.gov.